

ORIGINAL

RECEIVED

Original Title Page

OFFICE OF THE SECRETARY
FEDERAL MARITIME COMMISSION

HLAG/HSDG LATIN AMERICA SLOT EXCHANGE AGREEMENT

FMC AGREEMENT NO. **012181**

A Cooperative Working Agreement

Expiration Date: None



TABLE OF CONTENTS

ARTICLE 1:	FULL NAME OF THE AGREEMENT	1
ARTICLE 2:	PURPOSE OF THE AGREEMENT	1
ARTICLE 3:	PARTIES TO THE AGREEMENT	1
ARTICLE 4:	GEOGRAPHIC SCOPE OF THE AGREEMENT	2
ARTICLE 5:	AGREEMENT AUTHORITY	2
ARTICLE 6:	AGREEMENT OFFICIALS AND DELEGATIONS OF AUTHORITY	8
ARTICLE 7:	VOTING	8
ARTICLE 8:	DURATION AND TERMINATION OF AGREEMENT	8
ARTICLE 9:	NON-ASSIGNMENT	10
ARTICLE 10:	APPLICABLE LAW AND ARBITRATION	10
ARTICLE 11:	SEPARATE IDENTITY/NO AGENCY OR PARTNERSHIP	12
ARTICLE 12:	NOTICES	12
ARTICLE 13:	SEVERABILITY	12
ARTICLE 14:	AMENDMENT	12
SIGNATURE PAGE		

ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of this Agreement is the HLAG/HSDG Latin America Slot Exchange Agreement ("Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to authorize the parties to exchange slots on their respective services in the Trade (as hereinafter defined) and to authorize the parties to enter into cooperative working arrangements in connection therewith.

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties to the Agreement (hereinafter "party" or "parties") are:

1. Hapag-Lloyd AG ("HLAG")
Ballindamm 25
20095 Hamburg, Germany
 2. Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft KG
("HSDG")
Willy Brandt-Str. 59
20457 Hamburg, Germany
-

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of the Agreement shall extend to the trade between ports on the U.S. Gulf Coast on the one hand and ports in Argentina, Brazil, Colombia, the Dominican Republic, Mexico and Uruguay on the other hand. All of the foregoing is hereinafter referred to as the "Trade."

ARTICLE 5: AGREEMENT AUTHORITY

5.1 Exchange of Space. HSDG shall provide to HLAG space for 150 TEUs (or a maximum of 2,100 mtons)¹ per sailing (including 15 reefer plugs) on HSDG's UCLA service, in exchange for which HLAG shall provide to HSDG space for 150 TEUs (or a maximum of 2,100 mtons)² (including 15 reefer plugs) on its GS-1 service. There shall be no per slot charge for such slots exchanged hereunder. The slot exchange is on a used or not used basis and no unused allocation may be rolled forward without the agreement of the other party. In addition to the space exchanged, the parties may sell one another slots on an ad hoc basis on terms and conditions as they may agree from time to time.

5.2 Sub-Chartering. Neither party shall sub-charter slots made available to it hereunder to any third parties without the prior written consent of the other party; provided, however, that any party may sub-charter slots to its wholly-owned vessel-operating affiliates or subsidiaries, which affiliates and subsidiaries shall be prohibited from sub-chartering such space to any third parties without the prior written consent of the other party. Any sub-charterer consented to must be a vessel-operating

¹ Subject to a maximum of 30 moves to/from Paranagua.

² Subject to a maximum of 30 TEUs for the River Plate.

common carrier. A party who sub-charters space shall be liable for the fulfillment of the terms of this Agreement by any sub-charterer. When a party's sub-charter in the Trade, excluding those to wholly owned affiliates or subsidiaries terminates for any reason, that party shall offer first refusal of slots so freed by the termination and not required by that party for its own use to the other party. The parties agree that HLAG will continue its current vessel sharing agreement with CSAV on the GS-1 service and within its allocation on CSAV vessels will provide space for HSDG containers under this Agreement.

5.3 Vessel Operations. Each party shall be solely responsible for all operational aspects of the vessels it provides hereunder.

5.4 ISM Code/C-TPAT. The parties and the vessels they provide hereunder shall comply with the requirements of the ISM Code, and documentation evidencing such compliance shall be provided to the other party upon request. The parties shall both be signatory to the Agreement to Voluntarily Participate in Customs-Trade Partnership Against Terrorism ("C-TPAT"), and agree to develop and implement a verifiable, documented program to enhance security procedures throughout its portion of the supply chain process, as described in the C-TPAT agreement.

5.5 Port Omissions due to force majeure. In the event the party providing the vessel clearly demonstrates that factors beyond its control have made it necessary to omit a port or ports in order to restore the schedule, it may load and discharge cargo at the nearest port of convenience (which, to the extent reasonably possible, shall be a scheduled port within the scope of its service covered by this Agreement) with transshipment, storage and other costs to be for the account of the party that

issued the bill of lading for such cargo. In such cases, the vessel operating party shall undertake to ensure proper and immediate notice and provide consultation as to efforts to minimize related costs. The party providing the vessel shall not be responsible to the other party for port omissions in the following circumstances:

(a) Berth congestion at the omitted port was anticipated to incur a delay of 24 hours or more;

(b) Closure of the port or incapacity to operate the vessel in the port due to bad weather or strikes of any terminal service providers or unavailability of terminal equipment anticipated to incur a delay of 24 hours or more;

(c) Any lawful deviation such as saving or attempting to save life or property or force majeure; or

(d) Bad weather at sea with winds of Beaufort 6 and above for more than twenty four hours in any one leg, which can cause operational hindrance, provided that intended route for sea passage could not avoid such conditions and that the affected party can supply supporting evidence such as, but not limited to, the vessel log book and weather routing data.

This Article 5.5 shall be restricted to port omissions only; other damages including loss of or damage to cargo are outside the scope of this Article. Except where port omissions are excused in this Agreement, it is the responsibility of the party providing the vessel to arrange, at its expense, for the pre or on carriage (including by own vessels) and transshipment of the other party's cargo and containers destined to or to be exported from the omitted port(s) of the rotation and the transshipment port. Additionally, in any such case, the party providing the vessel

shall be liable to compensate the other party (either, as noted below, in cash or in slots) for their unused allocation (import/export to/from such port) on the average performance of the other party over the last three liftings to/from the omitted port. The party providing the vessel shall have no other or further responsibility to compensate the other party whatsoever. The compensation shall be by space on subsequent sailings or payment at the slot release price, or a combination of both, by agreement.

5.6 Addition/Omission of Ports. Ad-hoc addition of port(s) of call may be implemented, at the discretion of the party providing the vessel, if such call(s) does not affect the schedule integrity, the weekly frequency and the normal transit time. In such a case, the vessel provider will be responsible for the additional costs and will have exclusive rights of discharge/load at the additional port(s) of call. The other party may be invited to load/discharge at the additional port(s) of call after having accepted to share the additional costs of call including but not limited to port costs, fuel, and deviation costs in proportion to its share of containers loaded/discharged/restowed in that port. In case the vessel provider has exclusive rights of discharge/load at the additional port(s) of call, and the schedule integrity is affected, the consequences of schedule integrity will not adversely impact the other party.

The parties shall discuss and agree in advance on the omission of ports in the event of public holidays that impact the schedule including, but not limited to, Christmas and New Year. The party not providing the vessel shall not be entitled to a reduction in its roundtrip allocation as a result of such planned omission(s); provided,

however, that the party providing the vessel shall accommodate requests from the other party to transfer, at no additional cost, part of the other party's allocation to adjacent sailings in order to mitigate the effects of cancellations. In the event such a request cannot be accommodated, the other party's allocation shall be reduced by the amount of the requested transfer. Should a sailing be cancelled for lack of sufficient volume outside of a holiday period, the vessel provider shall provide the other party with reasonable advance notice of same. Compensation for cancelled sailings shall be additional slots on adjacent sailings, a refund at an agreed slot charter hire, or a combination thereof.

5.7 Compliance with Laws. The parties agree to comply with all applicable laws, rules, regulations, directives and orders issued by any authorities having jurisdiction over this Agreement and the services operated hereunder.

Any consequence of this Agreement resulting from the non compliance of a party with mandatory applicable U.S. federal and state laws and regulations will be borne in full by that party.

A party in breach of such mandatory applicable U.S. federal and state laws and regulations ("breaching party") shall indemnify and hold the other party harmless to the full extent of any loss, damage, cost, expense and liability, including reasonable attorney's fees and court costs and direct loss of profits,

- (a) For any failure or alleged failure of breaching party to comply with such laws and regulations of the United States including those applicable to exports,
- (b) for any failure of the other party to comply with laws and regulations of the United States applicable to exports based on the other party's reliance on certifications provided by the breaching party under this

Agreement, and

- (c) for any false statements or material omissions by the breaching party with respect thereto, including without limitation export classification and country of origin of items procured by the other party under this Agreement.

The parties warrant that they are not identified on the U.S. Treasury Department's list of specially designated nationals and blocked persons ("SDN List") and that goods and/or containers transported hereunder will not be transported on a vessel owned and/or operated by any party on the SDN list, including Islamic Republic of Iran Shipping Line and HDS Lines. This restrictions includes any vessel identified on said list or owned and/or operated by HDS Lines.

5.8 Terminals. The parties shall negotiate separately with terminal operators for their individual terminal contracts, but are authorized to discuss and agree on their respective responsibility for charges incurred with respect to certain terminal-related charges such as shifting and lashing of containers.

5.9 Miscellaneous. The parties are authorized to discuss and agree upon such general administrative matters and other terms and conditions concerning the implementation of this Agreement as may be necessary or convenient from time to time, including, but not limited to, performance procedures and penalties; stowage planning; record-keeping; responsibility for loss or damage; insurance; the handling and resolution of claims and other liabilities; indemnifications; force majeure; documentation and bills of lading; and the treatment of hazardous and dangerous cargoes.

5.10 Further Agreements. Pursuant to 46 C.F.R. § 535.408(b), any further

agreement contemplated herein cannot go into effect unless filed and effective under the Shipping Act of 1984, as amended, except to the extent that such agreement concerns routine operational or administrative matters.

5.11 Implementation. The parties shall collectively implement this Agreement by meetings, writings, or other communications between them and make such other arrangements as may be necessary or appropriate to effectuate the purposes and provisions of this Agreement.

ARTICLE 6: AGREEMENT OFFICIALS AND DELEGATIONS OF AUTHORITY

The following are authorized to subscribe to and file this Agreement and any accompanying materials and any subsequent modifications to this Agreement with the Federal Maritime Commission:

- (i) Any authorized officer of either party; and
- (ii) Legal counsel for either party.

ARTICLE 7: VOTING

Except as otherwise provided herein, all actions taken pursuant to this Agreement shall be by mutual agreement of the parties.

ARTICLE 8: DURATION AND TERMINATION OF AGREEMENT

8.1 This Agreement shall become effective on the date it is effective under the U.S. Shipping Act of 1984, as amended, or such later date as may be agreed by the parties in writing. It shall continue for a minimum of six (6) months and indefinitely thereafter, with a minimum notice of termination from either party of 3 months. Such

notice of termination shall not be given prior to three months after the effective date.

8.2 Notwithstanding Article 8.1 above, this Agreement may be terminated pursuant to the following provisions:

(a) Upon 30 days written notice if the port rotation or port coverage of the service provided by the other party is changed in such a way that it has a material adverse effect on the commercial benefits reasonably expected to be gained by the terminating party when it entered into this Agreement;

(b) If, at any time during the term of this Agreement there shall be a change in ownership of a party, and such change is likely to materially prejudice the cohesion or viability of the Agreement or the other party's commercial interest, then the other party may, within 3 months of becoming aware of such change, give not less than three months notice in writing terminating this Agreement.

(c) If at any time during the term of this Agreement either party is dissolved or becomes insolvent or makes a general assignment, arrangement or composition with or for the benefit of its creditors or has a winding-up order made against it or enters into liquidation (whether voluntarily or compulsorily) or seeks or becomes the subject of the appointment of an administrator, receiver, trustee, custodian, or other similar official for it or for all or substantially all of its assets or is affected by an event or similar act or which under the applicable laws of the jurisdiction where it is constituted has an analogous effect or takes any action in furtherance of any of the foregoing acts (other than for purposes of a consolidation, reconstruction or amalgamation previously approved in writing by the other party), and such event or occurrence is or may be materially detrimental to this Agreement or to payment of sums that may be owed, other than those that may be disputed in good faith, and may not be paid in full or may be delayed in payment, then the other party may give written notice terminating this Agreement with immediate effect. Such termination shall be without prejudice to any accrued obligations arising hereunder prior to the provision of such written termination notice.

8.3 In the case of a material breach by either party, then that party shall correct such breach within 30 days from the date of written notice of such breach sent by the other party. In the event that the breach is not resolved within 30 days thereafter, then the non-breaching party shall have the right to terminate the Agreement effective 30 days from the date notice of termination is given.

8.4 Any termination hereunder shall be without prejudice to any party's

respective financial obligations to the other as of the date of termination, and a non-defaulting party retains its right to claim against the defaulting party for any loss and/or damage caused by or arising out of such default.

ARTICLE 9: NON-ASSIGNMENT

Neither party shall assign all or any part of its rights, or delegate all or any part of its obligations, under this Agreement to any other person or entity without the prior written consent of the other party.

ARTICLE 10: GOVERNING LAW AND ARBITRATION

10.1 This Agreement shall be governed by and construed in accordance with English law. Any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Article.

10.2 The arbitration shall be conducted in accordance with the London Maritime Arbitrators' Association (LMAA) terms current at the time when arbitration proceedings are commenced. The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own

arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he has been appointed by agreement. Nothing in this Article 10 shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

10.3 In cases where neither the claim nor the counterclaim exceeds the sum of US Dollars fifty thousand-(USD50,000) or such other sum as the parties may agree, the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

10.4 Judgment upon the award rendered may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

10.5 The parties shall use every reasonable endeavor to resolve disputes between them in the shortest possible time consistent with the proper presentation to the expert or arbitration tribunal of their submissions and evidence. The parties will in particular seek, in the absence of any reasonable excuse, to make such submissions and present such evidence within a period of thirty (30) days from the commencement of the proceedings. In the event of unreasonable delay by either party, the expert or the arbitration tribunal shall be entitled to make an award even if that party has failed to make or complete its submissions.

ARTICLE 11: SEPARATE IDENTITY/NO AGENCY OR PARTNERSHIP

Nothing in this Agreement shall give rise to or be construed as constituting a partnership for any purpose or extent. Unless otherwise agreed, for purposes of this Agreement and any matters or things done or not done under or in connection herewith, neither party shall be deemed the agent of the other.

ARTICLE 12: NOTICES

All notices required to be given in writing, unless otherwise specifically agreed, shall be sent by registered mail or courier service to the addresses listed in Article 3.

ARTICLE 13: SEVERABILITY


Should any term or provision of this Agreement be held invalid, illegal or unenforceable, the remainder of the Agreement, and the application of such term or provisions to persons or circumstances other than those as to which it is invalid, illegal or unenforceable, shall not be affected thereby, and each term or provision of this Agreement shall be valid, legal and enforceable to the full extent permitted by law.

ARTICLE 14: AMENDMENT


Any modification or amendment of this Agreement must be in writing and signed by both parties and may not be implemented until filed with the FMC and effective under the Shipping Act of 1984, as amended.

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed
by their duly authorized representatives as of this 9TH day of August, 2012.

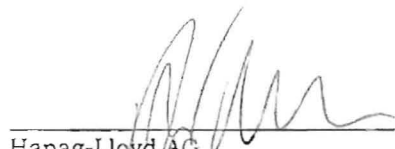

Hamburg Südamerikanische
Dampfschiffahrtsgesellschaft KG

Name: Heino Schmidt
Title: Member of the
Executive Board

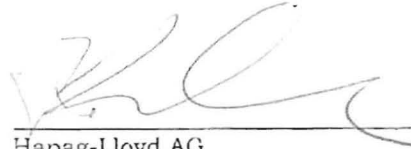


Hamburg Südamerikanische
Dampfschiffahrtsgesellschaft KG

Name: Frank Smet
Title: Member of the
Executive Board



Hapag-Lloyd AG
Name:
Title: Anthony J. Firmin
Managing Director



Hapag-Lloyd AG
Name: Karsten Warneke
Title: Director